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FOR WHA/BSC, EB/OIA, EB/CBA, AND L/EB
USTR FOR MARY SULLIVAN
NSC FOR SUE CRONIN
OPIC FOR RUTH ANN NICASTRO
TREASURY FOR OSIA/INL

E.O. 12958: DECL: 08/24/2016
TAGS: [PGOV PHUM PREL AR](#)
SUBJECT: ARGENTINA: U.S. CITIZENS' LAND THREATENED WITH
EXPROPRIATION

REF: BUENOS AIRES 01567

Classified By: CDA, a.i., Michael Matera, Reasons 1.4(b) and (d)

SUMMARY

[11.](#) (SBU) Two recent cases of threatened land expropriation directed against two U.S. citizens have garnered local media attention, but it does not appear that the seizure of properties will move ahead in the near term. The most serious case involves the land of Douglas Tompkins, whose property in Corrientes province was encroached upon by former piquetero and now GOA official Luis D'Elia on August 10 as part of a media spectacle ostensibly designed to defend the rights of local residents living in the area of Tompkins' property. D'Elia subsequently backed a bill in the National Congress together with Kirchner congresswoman Areceli Mendez to confiscate Tompkins' property and that of a nearby Argentine company. On August 23, however, Cabinet Chief Alberto Fernandez said that the Casa Rosada did not back the bill.

[12.](#) (SBU) The other case involves the land of Peter McBride in Catamarca Province. The case originally arose in 2005, but gained momentum in July 2006 when the Catamarcan Senate approved the expropriation of the McBride's property. There does not appear to be momentum to move further with the case in the short term and Catamarcan Governor Brizuela del Moral promised Ambassador Gutierrez in June that he did not, and would not, support the expropriation. However, McBride told Poloff during a recent visit by Poloff to Catamarca that he was surprised by the Senate vote and that the situation could change at any moment. Poloff conveyed to the Catamarcan Vice Governor and members of the provincial Senate and Lower House our concern that the issue be resolved in a just and legal manner.

[13.](#) (C) Leading Argentine political analysts consulted by Poloff are in agreement that President Kirchner is unlikely to follow Venezuelan President Hugo Chavez's model and initiate a wider scale land expropriation. However, they warn that Kirchner and his allies may initiate more of these expropriation cases against U.S. citizens holding large tracts of land as the election campaign heats up in the coming year. END SUMMARY.

TOMPKINS CASE

[14.](#) (SBU) On August 10, Argentine Secretary for Public Lands and former piquetero leader Luis D'Elia led a group of protesters to cut open an unlocked cattle gate on the ranch of American citizens Douglas and Kristine Tompkins. The move appeared to be a stunt on the part of D'Elia to attract media attention to his call for the expropriation of the Tompkins' 300,000 hectare property in Corrientes province. His stated reason was that Tompkins was blocking the road access of local residents, a charge Tompkins has publicly denied. The gate in question, Tompkins argued, had always been unlocked. D'Elia subsequently supported a bill in the Lower House of

Congress introduced by Kirchner Congresswoman Areceli Mendez to confiscate Tompkins' property and that of a nearby Argentine company. D'Elia also held a press conference together with other leftist Kirchner allies, such as the Mothers of the Plaza's Hebe de Bonafini, in support of the expropriation of Tompkins' property.

15. (C) The press and opposition reaction to the proposed land expropriation was very negative, leading the GOA to distance itself from D'Elia's actions. Leading local newspapers criticized the proposed land expropriation, pointing out the negative affect the action would have on badly needed foreign investment. Leading opposition figures, such as Mauricio Macri and Roberto Lavagna, argued the action

demonstrated the Kirchner administration's lack of respect for the rule of law. On August 23, Cabinet Chief Alberto Fernandez said that the Casa Rosada did not back the bill. Agustin Rossi, head of the Kirchner bloc in the Lower House, also said he would not move forward on the expropriation bill. (Comment: Given the two week delay between D'Elia's encroachment on Tompkins' property and the Casa Rosada response, as well as the presence of numerous Kirchner allies at D'Elia's public events in support of the expropriation, it is likely that D'Elia's actions at least initially had the Casa Rosada's approval. End Comment.)

16. (SBU) Multi-millionaire businessman and founder of North Face outdoor wear Douglas Tompkins was out of the country when the incident occurred. However, his wife contacted the Embassy on August 14 to express her concern for the safety of ranch hands and worries over D'Elia's continuing public threats to return to the ranch with his gang. Consular officers have been in contact with Ms. Tompkins regarding her safety concerns, but she is seeking USG political intervention with GOA leaders. She told Conoff on August 23 that she feels no immediate personal danger, but continues to worry about her staff at the El Transito ranch. Recently, local media has been inciting hostility against her family, their property and their employees with the motive of "recuperating national sovereignty," Tompkins told Conoff. (Comment: Ms. Tompkins' conversation with Conoff took place before Alberto Fernandez's announcement that the Casa Rosada does not support the land seizure. Regardless, we plan to raise the issue with our Casa Rosada contacts. End Comment.)

17. (SBU) In press interviews, Douglas Tompkins has indicated his desire to donate the land around the disputed roadway and help the those families living in the vicinity obtain legal titles to the property they are living on. Tompkins is a dedicated environmentalist, who has purchased large tracts of land in Chile and Argentina with the principal objective of environmental conservation. For example, Tompkins acquired 33 thousand hectares of land near the famous Perito Moreno Glacier in Kirchner's home province of Santa Cruz when Kirchner was Governor of the province.

MCBRIDE CASE

18. (SBU) This case involves the proposed expropriation of 53,603 hectares of privately-held land in Catamarca province, a large part of which is owned by U.S. citizen Peter McBride. McBride first raised the issue with the Embassy in 2005, and after several calls from Ambassador Gutierrez and other Embassy officials, it appeared the effort had been halted. However, on July 13 of this year, the Catamarcan Senate unanimously approved the expropriation. The bill must still be approved by the provincial lower house and signed by Governor Eduardo Brizuela del Moral before taking effect. Brizuela del Moral has indicated his opposition to the bill on numerous occasions and told Ambassador Gutierrez during a June 21 phone call that he was aware of the issue and would work to prevent the implementation of the law. (Note: The Catamarcan legislature can pass the law over the veto of Governor Brizuela del Moral provided they have a two-thirds majority in support of the bill. End Note.) (For more on the details of the McBride case, see reftel.)

19. (SBU) Poloff met with Peter McBride during a August 14-16 visit to Catamarca, during which McBride said he thought there was no momentum to move further with the expropriation, but that things could change at any point. McBride said that he wanted to donate the part of his land on which the squatters were living (the professed justification for the expropriation). However, McBride said that the province is trying to expropriate a much larger piece of his land on the grounds that squatters on land adjacent to his property want it for grazing. McBride noted that his property had been on the market for 15 years before he purchase it in 2003. The land had been considered worthless until he and his partners

found water on the land. Only after the water was found, McBride reported, did the proposal to expropriate his land surface. McBride reported that the Vice Governor Hernan Colombo was one of the big proponents for the land expropriation. McBride said that the Embassy may have some influence over Colombo through appeals to his allies in the

Casa Rosada, such as Kirchner political strategist Juan Carlos Mazzon.

10. (C) On August 15, Poloff met with Catamarcan Vice Governor Hernan Colombo and leading members of the Catamarcan Senate in a wide-ranging discussion that included expressing our concerns that the McBride case be resolved in a just and legal manner, with respect for private property rights. Vice Governor Colombo said the issue for the province was defending the rights of the people that had been living on the land for a long time. Poloff noted that McBride was seeking to donate part of his land to the residents. The Vice Governor appeared to not acknowledge this fact and remarked to Poloff, "And besides, why would McBride want this land anyway? There is no water on it." Poloff replied that McBride had in fact found water (something that even Governor Brizuela del Moral has acknowledged in signed correspondence to McBride).

11. (C) The Vice Governor said that regardless of the details of the case, the proposed expropriation had nothing to do with McBride's status as a foreigner. (Note: The bill approved by the Catamarcan Senate specifically mentions the "foreign interests" that have acquired the disputed territory and are impinging on the rights of the native Catamaricans on the property. End Note.) The Vice Governor said he hoped the issue would not dampen the desire of U.S. investors to invest in Catamarca. Poloff said that judicial security was a crucial requirement for investors and again noted our desire to see the issue resolved in a just and legal fashion. On August 14, Poloff delivered a similar message to leaders of the Catamarcan Lower House.

PART OF A TREND?

12. (C) Leading Argentine political analysts consulted by Poloff are in agreement that President Kirchner is unlikely to follow Venezuelan President Hugo Chavez's model and initiate a wider scale land expropriation. Also, in contrast to Venezuela, the Argentine political leaders advocating the land expropriation in both cases have at least hinted at compensation. However, the Argentine political analysts warn that Kirchner and his allies may initiate more expropriation cases against U.S. citizens holding large tracts of land as the election campaign heats up in the coming year as a means of shoring up their leftist base.

COMMENT

13. (C) Given polls that show Argentines have the most negative views of the U.S. out of all nations in Latin America, the U.S. will be a convenient target for President Kirchner as the election season gets under way next year. Kirchner frequently resorted to anti-U.S. rhetoric during his 2003 presidential campaign and there is little reason to believe he will not do the same if he decides to run for re-election in 2007. We cannot rule out that this type of rhetoric might inspire more efforts to expropriate the property of some U.S. citizens in Argentina, particularly large landholders. For now, they appear as two isolated cases.

14. (C) D'Elia picked a difficult target in Douglas Tompkins -- given his stated objective of acquiring land for environmental conservation -- especially while Argentina is in a dispute with Mercosur neighbor Uruguay over the construction of two paper plants that has been couched in

terms of the GOA's defense of the environment. It appears that the land seizure in these two cases will not move forward in the short-term, but this is an issue that we will continue to closely monitor. END COMMENT.

MATERA